

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER 93-0342 CSET  
Controlled Substance Excise Tax  
For Tax Period March 18, 1993**

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**ISSUE**

1. **Controlled Substance Excise Tax – Imposition**

**Authority:** IC 6-7-3-5.

The taxpayer protested the assessment of Controlled Substance Excise Tax.

**STATEMENT OF FACTS**

The taxpayer was arrested for possession and dealing of an illegal substance. The substance was tested and was in fact a controlled substance, marijuana. The net weight was 95 grams. The Indiana Department of Revenue served the taxpayer with the CSET assessment and jeopardy demand notice on March 18, 1993. The tax warrants were issued to the sheriff for collection; no bank levies were issued at that time. Taxpayer filed a protest to the assessment on April 21, 1993. A hearing on the protest was scheduled September 2, 1998. The taxpayer was notified of the hearing at her last known address. The taxpayer is the owner of the house where the marijuana was found. The prosecutor dismissed the case against the taxpayer. The original case and arrest records do not include the taxpayer's name.

**DISCUSSION**

1. **Controlled Substance Excise Tax – Imposition**

IC 6-7-3-5 imposes the Controlled Substance Excise Tax on the delivery and possession of marijuana in the State of Indiana. The Taxpayer alleged that she was the owner of the house, but had no knowledge of the marijuana. The original arrest charge was for the sons of the taxpayer. The sons are emancipated adults and rented the basement of the house. The prosecutor confirmed that the taxpayer was unaware of the actions of her sons and that charges were dropped.

**FINDINGS**

The taxpayer's protest is sustained.